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9 Jul 1965

MEMORANDUM FOR THE RECORD

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SUBJECT: Contract [] PAR 215 Attachment of pilot tabs for the 24-inch processor.

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1. The original specifications for the 24-inch processor, dated 6 December 1963 was to cover both roll paper and cut sheet stock. These specifications contained a note to the effect that some of the thinner base materials "may require a pilot tab." These specifications were reviewed and coordinated line-by-line with [] of PSD, as indicated in the memorandum for the record dated 29 January 1964, before authorization was given to the contractor to proceed on 10 February 1964.

2. In the revised specification of 29 February 1964, the following note was contained; "It should be recognized that with roller transport equipment, some of the thinner materials and all paper base materials may require a pilot tab at the leading edge in order to be self-threading".

3. During my absence, due to illness, in 1964 the requirement for roll paper was eliminated, resulting in a redesign of the machine to provide for the exclusive use of cut sheet stock. This change is reflected in the revised specification dated 30 November 1964, which again contained a similar note concerning pilot tabs.

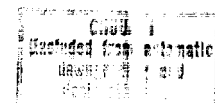
4. In pre-delivery inspection of the processor during my visit to the contractors facility on 24 May 1964, it appeared that there was less than a 50/50 chance that any paper (other than waterproof base) could be used without a tab. The method of attaching these tabs with waterproof tape is quite time consuming and I objected strongly to the proposed method and requested the contractor to give serious thought to devising some way to overcome the problem.

5. On my return, I discussed this problem with [] and informed him of my objection made to the contractor. [] expressed surprise that a tab was required, even though he had previously review the specifications.

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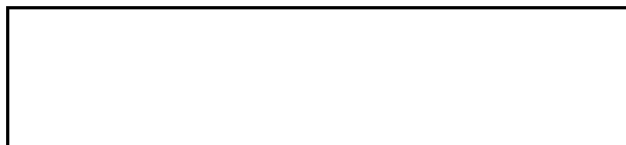


Declass Review by NGA.

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25X1 6. On my next visit to the contractor on 29 June 1964 I found the tab problem was not resolved; in fact little effort had been made toward solving the problem and plans had been made to start packing the processor for shipment. On my return I again discussed the matter with [] and informed him of a non-ferrotyping waterproof paper that could be obtained from [] that did not require a tab. The reaction of [] was that the waterproof paper was unacceptable for general use and that the equipment could not be used until the pilot-tab problem was solved. 25X1 25X1

25X1 7. Although development of the equipment is complete and it is not expected that any change will be made in the design of the processor, which would eliminate the problem, it is believed advisable to hold the equipment at the contractor facility for their use in experiments leading to a solution and to lend emphasis to the seriousness with which we viewed this problem. It can be expected that this requested delay in the delivery of the equipment to [] will result in requirement to reschedule installation plans at both the contractor and by Logistics.



Development Branch 25X1

Coordination:

Production Service Division

Support Staff/Logistics Branch

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July 8/1965

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6 JULY 1965

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[REDACTED]

DIRECTOR

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[REDACTED]

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[REDACTED]

25X1 SUBJECT: CONTRACT [REDACTED] PAR 215

THIS IS TO CONFORM TELECON OF 30 JUNE 1965. PROPOSED METHOD FOR ATTACHING SEMI-RIGID TAB TO PAPER PRINTS BEFORE INSERTION INTO PROCESSOR IS IMPRACTICAL AND RAISES A SERIOUS QUESTION AS TO WHETHER THIS PROCESSOR, IN ITS PRESENT STATE, WILL SERVE ANY USEFUL PURPOSE.

REQUEST PLAN, INCLUDING ESTIMATED COST, TO SOLVE THIS PROBLEM BE SUBMITTED AND THAT DELIVERY OF THE 24 INCH PAPER PROCESSOR, SCHEDULED FOR 15 JULY 1965, BE SUSPENDED PENDING SOLUTION OF THIS PROBLEM.

END OF MESSAGE.

Reply

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[REDACTED]

2000

IN 7752

21 JULY 65

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[REDACTED]

ASST/OPERATIONS

[REDACTED]

ASST/PLANS & DEVELOPMENT

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Technical Development Board

6-2-65

PAR - 215

The current overrun or increase estimate on this item is

25X1 our previous authorized increase was much of the current 25X1

increase is concerned with the design and fabrication of the pumping

system. The total estimated development costs for this item are now

25X1 and delivery of the item to is scheduled for 25X1

15 July 1965.

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21 May 1965

MEMORANDUM FOR THE RECORD

SUBJECT: PAR-215, "24-inch Paper Processor"

I am in receipt of a letter dated 14 May from [] in which they are requesting an overrun authorization of [] on this PAR. This overrun was first brought to the attention of [] by a telephone call from [] on the evening of 7 May 1965.

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In their letter they state that they were aware that engineering costs were exceeding their estimates but, that it appeared to be balanced by an equivalent underrun in the fabrication and assembly costs. However, in their latest shop report it was shown that these costs did not balance out, resulting in an overrun.

The major portion of this overrun is concerned with the pump stand, which I must admit is well designed so as to occupy a minimum of space, which for this equipment is at a premium, and it also provides good accessibility for maintenance.

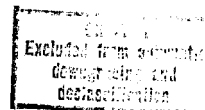
This is the second overrun for this item. We authorized an overrun [] on 8 March 1965. The original estimate for this item was [] and including this present overrun is now [] which is more than double the original estimate. The fabrication and assembly of this Paper Printer Processing machine, which is to replace manual tray processing is now completed and work has started on preparing the room at [] to receive it; we therefore have no logical alternative but to authorize this overrun. However, I shall certainly object strenuously to [] regarding this deception in project costs.

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[]

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Development Branch, P&DS

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